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July 28, 2000

TO:

Minerals File

FROM:

Lynn Kunzler, Senior Reclamation Specialist

RE:

Site Inspection, Helca Mining Company, Escalante Silver Mine, M/021/004, Iron

County, Utah

Date of Inspection: Time of Inspection: July 19, 2000

Conditions:

8:30 p.m. Clear and Warm

Participants:

Dave Suhr and Gary Nelson, Hecla; Lynn Kunzler and Jared Sorensen, DOGM

Purpose of Inspection: To evaluate site conditions.

The inspection began by looking at the waste rock pile. A GPS was used to determine the existing footprint of the pile (drawing attached) which was found to be 2.5 acres and approximately 55 feet high. Current slopes on the pile are 5h:1v to the east of the apex and 2h:1v to the west of the apex. It was agreed that Hecla would regrade this pile to a maximum slope of 3h:1v. Soil material would be salvaged from the toe of the pile prior to regrading and then applied to the regraded surface. An application of 5 ton per acre of composted manure or biosolids would then be applied and the pile would be seeded with the approved seed mix.

We then looked at the mill building and associated facilities. The thickener tank still needs to be cleaned out. The security guard indicated that the mill building had been washed down (inside) and the wash water had been processed through a small resin adsorption system to remove the metals. He also indicated that Dixie Cable is considering keeping this system and treating wash waters and ores from other operations. He also indicated that some of the milling equipment inside the mill building would probably be kept and used.

We then discussed the land trade issue. Mr. Suhr indicated that he thought that only the southwest quarter of the section was involved in the dispute, and the eastern half of the section (which is where the mill facilities are) had clear title. He stated that he would research this and provide us with the appropriate documentation.

The inspection ended with a visit to the reclaimed tailing pond. This is the third growing season since reclamation was completed. The vegetation ground cover was estimated using 10 point-transects. The results showed 36% ground cover, including foxtail, indian ricegrass, crested wheatgrass, globemallow, winterfat, sagebrush and rabbitbrush. This meets the 70% of surrounding vegetation cover standard. The knapweed that had been evident in this area during past inspections was not observed. Mr. Suhr indicated that they had been spot spraying to control this noxious weed. Since this is BLM property, I told Mr. Suhr that we will need to get their concurrence prior to releasing this area. I also

Site Inspection M/021/004 July 28, 2000 Page 2

told him we would find out what the BLM's position on the existing fence is (whether it would need to be replaced with a 4-strand barbed wire fence as stated in the plan or whether the existing net (field) fence could remain. After the inspection, Mr. Ed Ginouves of the BLM was contacted. He stated that the BLM was satisfied with leaving the existing fence and concurred that revegetation efforts have been successful. However, he stated that the BLM was concerned with regards to the knapweed issue and was leery to release the reclamation bond without being assured that if it returned within the next year or two that Hecla would continue its control efforts.

Several photos were taken of the site.

cc: Gary Nelson, Hecla m21-004.ins